GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:950
ANSWERED ON:04.03.2008
THE INDUSTRIES DEVELOPMENT REGULATION ACT
Saradgi Shri Iqbal Ahmed

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a): whether in order to liberalize small scale industries, the Government proposes to remove a restrictive clause in the industries (Development and Regulation) Act, 1951 that prevented non-SSI players from setting up small units;

(b): if so, whether the number of items reserved for small-scale industries will remain the same at 114 and the restrictive clause will continue;

(c): if so, the time by when the Government is considering to regulate the said act; and

(d): the extent to which it will be beneficial for small scale industries?

Answer

MINISTER OF MICRO,SMALL & MEDIUM ENTERPRISES(SHRI MAHABIR PRASAD)

(a) The Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, has laid the draft order regarding rescinding of Notification No. 857(E) dated 10 December 1997 and subsequent amendments made thereto on the Table of the two Houses of the Parliament.

(b) The number of products reserved for exclusive manufacture by Micro and Small Enterprises is presently 35.

(c) & (d) The rescinding of the Notification No. 857(E) and subsequent amendments made thereto would enable the MSMEs to access alternative sources to meet their credit/equity requirements for accessing modern technology and enhancing their competitiveness.